



## Transaction Privilege Tax Changes and News

This publication is an informational notice included with the January 2007 Transaction Privilege Tax Return.

### TOWN OF WELLTON

**Effective January 1, 2007:** On October 17, 2006 the Mayor and Town Council of the Town of Wellton passed ordinance number 88. Ordinance 88 establishes an **Additional Tax on Transient Lodging of 2.5%**. The Additional Tax on Transient Lodging shall be reported using **Code WT003**. The total Town rate for transient lodging is **5%, 2.5%** which is reported using code **WT000** and **2.5%** which is reported using code **WT003**.

### TOWN OF ORO VALLEY

**Effective April 1, 2007:** On December 6, 2006 the Mayor and Town Council of the Town of Oro Valley passed ordinance number (O) 06-23. Ordinance (O) 06-23 increases the Oro Valley Town Privilege Tax on Utilities from **0% to 2%**. The tax on Utilities shall be reported using **OR005**.

Ordinance (O) 06-23 amends the Town of Oro Valley Tax Code by adopting Local Option GG, taxing municipal utility services to out-of-city customers where such service is not subject to an "equivalent excise tax".

Ordinance (O) 06-23 also enacts a sunset date of April 1<sup>st</sup>, 2009 unless extended by a majority vote of the Town Council prior to that date.

### COCONINO COUNTY JAIL TAX INCREASE

**Effective January 1, 2007:** On September 12, 2006 voters approved an increase in the Coconino County Jail Tax. The Jail Tax which is currently levied at .3% (or .003) will now be levied at **.5% (or .005)** for most business classifications. (The Jail Tax is to be applied at 10% of the 5% component of the Transaction Privilege Tax rate levied by the State of Arizona.) The total combined rate for most transactions will be **6.725%**.

[For prime contractors reporting under Class 15 *only*, prime contracting contracts entered into **prior to** the September 12 election may not be subject to the increase in the tax rate under specific conditions approved by the department. Income derived from these contacts may be reported under **Class 110**. For more information, contact the department's Taxpayer Information & Assistance Section at (602) 255-2060 or (800) 843-7196, or check our web site ([www.azdor.gov](http://www.azdor.gov)).]

### YUMA COUNTY CAPITAL PROJECTS TAX REPEAL

**Effective February 1, 2007:** The Yuma County Capital Projects Tax is scheduled **to end on January 31, 2007**. The Capital Projects Tax is currently levied at .5% (or .005) for most business classifications. (The Capital Projects Tax has been applied at 10% of the 5% component of the Transaction Privilege Tax rate levied by the State of Arizona.) The total combined rate for most transactions **will be 6.7%**.

For more information, contact the department's Taxpayer Information & Assistance Section at (602) 255-2060 or (800) 843-7196, or check our web site ([www.azdor.gov](http://www.azdor.gov)).

## **911 WIRELESS AND WIRELINE RATE REDUCTION**

**Effective July 1, 2007.** The Arizona State Legislature approved a decrease to the 911 Wireless Telecommunications tax (class 036) and the 911 Wireline Telecommunications tax (class 131) pursuant to A.R.S. §42-5252. The new monthly rate will be 20¢ per activated wireless and wireline service effective July 1, 2007. For more information, check our web site ([www.azdor.gov](http://www.azdor.gov)).

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### **DUE DATE REMINDER**

Electronic Filed Returns are timely if received by Department of Revenue on the 2<sup>nd</sup> to last business day of the month.

#### **WHY STAND IN LINE?**

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